

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF EQUITABLE)	CASE NO. 89-286-E
GAS COMPANY)	

O R D E R

On June 27, 1990, the Commission issued its Order in Case No. 89-286 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On July 1, 1991, Equitable Gas Company, a division of Equitable Resources, Inc. ("Equitable"), filed its quarterly GCA, which is to become effective August 1, 1991 and is to remain in effect until October 31, 1991.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Equitable's notice of July 1, 1991 set out certain revisions in rates which Equitable proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale decrease in gas costs from its supplier in the amount of 34.49 cents per Mcf. Equitable's expected gas cost ("EGC") for the quarter beginning August 1, 1991 is \$3.4643 per Mcf which includes a surcharge component of 80.54 cents per Mcf relating to the settlement of Kentucky West Virginia Gas Company Docket No. TQ

89-1-46-000, et. al. before the Federal Energy Regulatory Commission.

2. Equitable's notice set out a current quarter actual adjustment in the amount of (18.78) cents per Mcf to compensate for over-recovery of gas cost by the company through the operation of its gas cost recovery procedure during the months of February, March, and April 1991. Equitable's total actual adjustment is (20.49) cents per Mcf, which is composed of the current over-recovery plus remaining over- and under-recoveries from previous quarters.

3. The combined effect of the above adjustments is Equitable's proposed gas cost recovery ("GCR") rate in the amount of \$3.2593 per Mcf, a decrease of 53.28 cents per Mcf from its last approved GCR rate. The decrease represents the combined effect of the supplier decrease and actual adjustments.

4. Equitable's adjustment in rates pursuant to the GCA provisions approved by the Commission in its Order in Case No. 89-286, dated June 27, 1990, is fair, just, and reasonable, in the public interest, and should be effective with final meter readings on and after August 1, 1991.

IT IS THEREFORE ORDERED that:


1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with final meter readings on and after August 1, 1991.

2. The GCR rate shall be \$3.2593 per Mcf effective with final meter readings on and after August 1, 1991.

3. Within 30 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of August, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-286-E DATED 8/01/91

The following rates and charges are prescribed for the customers served by Equitable Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES: Monthly

First	2 Mcf	\$3.9246 per Mcf
Next	18 Mcf	3.7246 per Mcf
Next	30 Mcf	3.6346 per Mcf
Next	50 Mcf	3.5546 per Mcf
All Over	100 Mcf	3.4846 per Mcf

The minimum bill shall be \$4.00.

The above rates include recovery of a Kentucky West Virginia Gas Company surcharge of 61.4 cents per Dth pursuant to the settlement of Docket No. TQ89-1-46, et. al. before the Federal Energy Regulatory Commission.

The following adjustments will be made to the above rates:

A surcharge of \$0.2278 per Mcf to reconcile undercollections occurring from 4/1/83 to 6/30/87 will be added to the above rates to be effective for 60 months beginning with the date of the Commission Order in Case No. 6602-GG or until the undercollection is recovered.

A refund of \$0.0897 per Mcf shall be applied to the retail service rates until such time as all refund obligations are discharged pursuant to PSC Order Nos. 6602-NN and 6602-TT.

The base rate for the future application of the purchased gas adjustment clause of Equitable Gas Company shall be:

Commodity

Kentucky West Virginia Gas Company \$2.1214/Dth*

*Includes \$0.0123 Gas Research Institute Funding Charge and an Annual Charge Adjustment of \$0.0019.